

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE		PAGE OF PAGES	
		1		5			
2. AMENDMENT/MODIFICATION NO. 0001		3. EFFECTIVE DATE 15-May-2003		4. REQUISITION/PURCHASE REQ. NO. 37170091		5. PROJECT NO.(If applicable)	
6. ISSUED BY NAVAL SURFACE WARFARE CENTER, CARDEROCK CODE 3352, ROBERT COLOT 5001 SOUTH BROAD ST PHILADELPHIA PA 19112-1403		CODE N65540		7. ADMINISTERED BY (If other than item 6)		CODE	
				See Item 6			
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code)				X		9A. AMENDMENT OF SOLICITATION NO. N65540-03-R-0006	
				X		9B. DATED (SEE ITEM 11) 14-May-2003	
						10A. MOD. OF CONTRACT/ORDER NO.	
						10B. DATED (SEE ITEM 13)	
CODE		FACILITY CODE					
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offer <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended.							
Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. ACCOUNTING AND APPROPRIATION DATA (If required)							
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.							
A.THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.							
B.THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(B).							
C.THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:							
D.OTHER (Specify type of modification and authority)							
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return _____ copies to the issuing office.							
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) Modify clauses, answer contractor questions							
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.							
15A. NAME AND TITLE OF SIGNER (Type or print)				16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)			
15B. CONTRACTOR/OFFEROR		15C. DATE SIGNED		16B. UNITED STATES OF AMERICA		16C. DATE SIGNED	
_____ (Signature of person authorized to sign)				BY _____ (Signature of Contracting Officer)		14-May-2003	

EXCEPTION TO SF 30
APPROVED BY OIRM 11-84

30-105-04

STANDARD FORM 30 (Rev. 10-83)
Prescribed by GSA
FAR (48 CFR) 53.243

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

1. The following paragraphs provide contractor questions regarding the solicitation and the Government's answers to the questions:

Q1. Have the funds been appropriated to fully fund the minimum/maximum quantities of engines as stated in the Pre-solicitation Notice, N6554003R0006 dated Apr 29, 2003?

A1. Funding has been included in the FY04 budget through the FYDP to fully fund the program. However, annual Congressional authorization and appropriation of the President's budget will be required for funding to be actually available. It is noted that since an Indefinite Delivery, Indefinite Quantity contract is anticipated, the successful offeror under any resultant contract is only guaranteed the contract minimum.

Q2. NAVSEA stated on Industry Day, October 10, 2002 that the contract is fully funded for 12 MCMs and 12 MHCs. The engines would be FFP and the installation and ILS would be cost plus over an initial 5-year contract. A question was asked if the contract would be split to purchase the engines on one contract and installation on another contract. The Navy stated that was not an option. The stated Industry Day direction appears to have been the most logical, cost beneficial and least risk to the Government, rather than competing three separate items at three different times. Why and when did the contract philosophy change where it appears there will be three (3) contracts: the first contract for First Article Units (CLIN 0001) and CLINs 0002 - 0014; the second contract (CLIN 0015) to ensure engine reliability and maintainability; and the third contract for ship installation? Please advise.

A2. The program acquisition strategy has been revised to separate engine procurement and installation. The initial contract anticipated to be awarded as a result of this solicitation includes the qualification and procurement of the engines; training support; long term maintenance and logistics support; and collaboration/evaluation of the installation detail design package which will be developed under a separate solicitation.

It is anticipated that a second solicitation will be issued for proposals for the development of the engine installation detail design package, installation and test and check out.

CLIN 0015 is not the second contract but rather the vehicle under the engine procurement contract by which the engine OEM will evaluate the installation activity's proposed installation design to ensure it will not adversely impact the performance of the engine.

Why and when the Navy made this decision is not germane to bidding the solicitation.

Q3. NAVSEA stressed during Industry Day that they wanted to maximize reliability, performance and maintainability from the engines. Please provide clarification to the purpose of the second contract (CLIN 0015) as stated in Pre-solicitation Notice, N6554003R0006 dated Apr 29, 2003. It appears that the Government intends to first purchase the engines for First Article tests plus the maximum of 172 production units (CLINs 0002 through CLIN 0007) to be followed up by a second contract to determine the engine suitability, reliability, maintainability and accessibility are not adversely affected by the proposed installation plan. What happens if the Government has already purchased assets under the first contract and then the installation plan (to be awarded separately) determines that the reliability, maintainability etc are indeed adversely affected?

A3. It is intended that the installation contract will not be awarded until such time as the selected engine has been fully qualified. SLINs under CLINs 0002 through 0007 will be ordered as necessary to satisfy the installation schedule under the follow-on installation contract. The first installation in each ship class will be completed and fully tested prior to the start of follow on installations.

Q4. The referenced pre-solicitation notice states that CLINs 0001 and 0002 – 00014 will be firm fixed price. The follow on installation plan contract and the installation will be on a cost plus fixed fee basis, does this mean that the

Government is willing to pay whatever the cost plus fee, would it not be beneficial to the Government to solicit a firm fixed price for all the items including the installation?

A4. The acquisition strategy with regard to the type of contract to be used is a Government decision and does not require explanation.

Q5. At the industry day the brief stated that installations are to occur in Ingleside, Texas, Bahrain and in Sasebo, Japan. Would the competition for the installation be limited to yards and facilities in these local geographical areas and other CONUS facilities and contractors will be excluded from bidding?

A5. During the Industry Day, it was explained that the installations would occur during the normal scheduled depot availabilities in the ship homeports of Ingleside, Bahrain and Sasebo. These installations would be carried out as Alteration Installation Team installations by the contractor awarded the installation contract. These installations would take place in the depot availability prime contractor's facility.

Q6. Pre-solicitation Notice, N6554003R0006 dated Apr 29, 2003 states "a five year indefinite delivery, indefinite quantity contract with fixed price and cost plus award fee contract line items is anticipated". What contract line items are anticipated to be IDIQ?

A6. See FAR Clause 52.216-1 TYPE OF CONTRACT (APR 1984) cited on page 94 of the solicitation.

Q7. Pre-solicitation Notice, N6554003R0006 dated Apr 29, 2003 states "the maximum quantity is four First Article Units of Item 0001, 172 production units under CLINs 0002, 0003, 0004, 0005, 0006 and 0007, 66 training courses under CLIN 0008, 59 sets of spare parts under CLIN 0009; the technical data under CLIN 0010; either CLIN 0011, 0012, or 0013; 32 sets of special tooling under CLIN 0014; and the services under CLIN 0015". What is the minimum quantity for the CLINs?

A7. See the clause entitled "MINIMUM AND MAXIMUM QUANTITIES" cited on page 30 of the solicitation.

Q8. We recommend the RFP specifications be modified to allow the possibility of replacing the current 1200 rpm generators on the MHC class and clockwise rotation generators on MCM 1&2 with 1800 rpm Generators with SAE standard (counterclockwise) rotation. Our reasons for this are that we does not have a 1200 rpm or clockwise rotation generator drive engine products available in the required power range to meet these requirements. Unfortunately in today's commercial market there is not enough demand to warrant development of these variants of the engine model we intend to offer. We fully understand and appreciate the Navy's desire to keep the costs of the MCM/MHC reengining effort down. However, we strongly believe the Navy would benefit much more in the long run having to support only one standard commercial based generator drive engine suitable for both ship classes compared to developing, producing, and supporting a limited number of nonstandard engines. With this change we can still provide the Navy a competitive priced solution that is technically acceptable in all respects. We request that our recommendations be given full consideration so that we may be able to participate in this solicitation and provide Navy with the best engine solution for the mine warfare fleet.

A8. Vendors can propose solutions that require modification of existing shipboard systems as long as the end result is achieved and is clearly defined within the proposal. However, one of the goals of this engine conversion is to minimize impacts to existing shipboard systems. "Interface" is a part of the evaluation factor of Engine Design, Interface and Maintainability Characteristics, which will be evaluated during proposal evaluation as documented in Section M of the solicitation.

2. The following clauses have been added or updated in Section I:

252.225-7001	Buy American Act And Balance Of Payments Program	APR 2003
252.225-7002	Qualifying Country Sources As Subcontractors	APR 2003
252.225-7013	Duty-Free Entry	APR 2003
252.225-7015	Restriction on Acquisition of Hand or Measuring Tools	APR 2003
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings (Apr 03)	APR 2003

Alt I	Alternate I	
252.225-7025	Restriction on Acquisition of Forgings	APR 2003
252.225-7033	Waiver of United Kingdom Levies	APR 2003

3. The following clauses in Section I which are incorporated by full text have been updated:

52.229-3 FEDERAL, STATE, AND LOCAL TAXES (APR 2003)

(a) As used in this clause—

"Contract date" means the date set for bid opening or, if this is a negotiated contract or a modification, the effective date of this contract or modification.

"All applicable Federal, State, and local taxes and duties" means all taxes and duties, in effect on the contract date, that the taxing authority is imposing and collecting on the transactions or property covered by this contract.

"After-imposed Federal tax" means any new or increased Federal excise tax or duty, or tax that was exempted or excluded on the contract date but whose exemption was later revoked or reduced during the contract period, on the transactions or property covered by this contract that the Contractor is required to pay or bear as the result of legislative, judicial, or administrative action taking effect after the contract date. It does not include social security tax or other employment taxes.

"After-relieved Federal tax" means any amount of Federal excise tax or duty, except social security or other employment taxes, that would otherwise have been payable on the transactions or property covered by this contract, but which the Contractor is not required to pay or bear, or for which the Contractor obtains a refund or drawback, as the result of legislative, judicial, or administrative action taking effect after the contract date.

Local taxes includes taxes imposed by a possession or territory of the United States, Puerto Rico, or the Northern Mariana Islands, if the contract is performed wholly or partly in any of those areas.

(b) The contract price includes all applicable Federal, State, and local taxes and duties.

(c) The contract price shall be increased by the amount of any after-imposed Federal tax, provided the Contractor warrants in writing that no amount for such newly imposed Federal excise tax or duty or rate increase was included in the contract price, as a contingency reserve or otherwise.

(d) The contract price shall be decreased by the amount of any after-relieved Federal tax.

(e) The contract price shall be decreased by the amount of any Federal excise tax or duty, except social security or other employment taxes, that the Contractor is required to pay or bear, or does not obtain a refund of, through the Contractor's fault, negligence, or failure to follow instructions of the Contracting Officer.

(f) No adjustment shall be made in the contract price under this clause unless the amount of the adjustment exceeds \$250.

(g) The Contractor shall promptly notify the Contracting Officer of all matters relating to any Federal excise tax or duty that reasonably may be expected to result in either an increase or decrease in the contract price and shall take appropriate action as the Contracting Officer directs.

(h) The Government shall, without liability, furnish evidence appropriate to establish exemption from any Federal, State, or local tax when the Contractor requests such evidence and a reasonable basis exists to sustain the exemption.

(End of clause)

52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (APR 2003)

(a) Definitions. As used this clause--

"Commercial item", has the meaning contained in the clause at 52.202-1, Definitions.

"Subcontract", includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

(b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or nondevelopmental items as components of items to be supplied under this contract.

(c)(1) The Contractor shall insert the following clauses in subcontracts for commercial items:

(i) 52.219-8, Utilization of Small Business Concerns (OCT 2000) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$500,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(ii) 52.222-26, Equal Opportunity (APR 2002) (E.O. 11246).

(iii) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era and Other Eligible Veterans (DEC 2001) (38 U.S.C. 4212(a)).

(iv) 52.222-36, Affirmative Action for Workers with Disabilities (JUN 1998) (29 U.S.C. 793).

(v) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (APR 2003) (46 U.S.C. Appx 1241 and 10 U.S.C. 2631) (flow down required in accordance with paragraph (d) of FAR clause 52.247-64).

(2) While not required, the Contractor may flow down to subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

(d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.

(End of clause)

4. The following clauses which are incorporated by reference have been moved from Section I and updated:

252.225-7031	Secondary Arab Boycott Of Israel	APR 2003
252.225-7032	Waiver Of United Kingdom Levies--Evaluation of Offers	APR 2003
252.225-7042	Authorization to Perform	APR 2003

5. The following clause, which is incorporated by reference in Section K, has been revised:

252.225-7003	Report of Intended Performance Outside the United States	APR 2003
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